

ORDINANCE NO. 46-572

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF SHARPLINE CONVERTING, INC. SO EXEMPTED. WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Incentive Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Sharpline Converting, Inc., requests an ad valorem tax exemption on a proposed expansion project of 100% for five years on the construction of a 30,000 s.f. building addition and certain new manufacturing equipment and 100% for a second 5 years only on the building improvements; and

WHEREAS, Sharpline Converting, Inc., has operated within the City for more than twenty-nine years as a manufacturer of graphic image products; and

WHEREAS, Sharpline Converting, Inc., proposes a \$1,932,987 expansion by the construction of a 30,000 s.f. building addition and purchase of machinery and equipment to be located at 1520 S. Tyler in southwest Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Sharpline Converting, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by the Wichita State University and has conducted a public hearing on such application on April 5, 2005; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Sharpline Converting, Inc., is an existing business located in Wichita, Kansas, and intends to expand its business by the construction of a 30,000 s.f. building addition and the purchase of certain personal property.

2. The construction of the new building, and the purchase of personal property for which exemption is given occurred after September 24, 2002. No exemption will be given for construction or purchases, which occurred before that date.

3. Such property purchases are to be used exclusively for manufacturing articles of commerce.

4. By such purchases, Sharpline Converting, Inc. will create new employment for 56 employees within five years after the start of the project.

5. Tax exemption will be given only for the construction of a 30,000 s.f. building addition and the purchase of certain personal property as reflected in Exhibit I attached hereto.

6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Economic Development Incentive Policy.

7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council of the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Sharpline Converting, Inc. is required to retain jobs in the State of Kansas, and that the property to be exempted is to be used exclusively for manufacturing articles of commerce.

2. Sharpline Converting, Inc. is hereby granted an ad valorem tax exemption of 100% for 5 years on the building addition and the personal property as shown on Exhibit I, and of 100% for a second 5 years, solely on the building addition, all on an expansion project started after September 24, 2002, and located within the Wichita City limits at 1520 S. Tyler in southwest Wichita, at an estimated cost of \$1,932,987, as further defined in Exhibit I attached hereto. Such exemption is to begin in the calendar year after the calendar year in which the expansion is completed, and may be terminated early (and Sharpline Converting, Inc. may be required to repay amounts previously abated), in the event of any failure by Sharpline Converting, Inc., to perform its obligations under the Economic Development Incentive Agreement it has executed with the City.

3. The Economic Development Incentive Agreement between the City of Wichita and Sharpline Converting, Inc. is hereby approved.

4. The City Manager's office shall be responsible for monitoring the performance of Sharpline Converting, Inc., and shall provide annual reports on such performance.

5. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Sharpline

Converting, Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated September 24, 2002, and as stated in Sharpline Converting, Inc.'s annually approved EEO/AA Plan.

6. Such exemption may hereafter be withdrawn by the City Council upon a finding that Sharpline Converting, Inc. no longer is entitled to such exemption in accordance with the Economic Development Incentive Policy of the City of Wichita and the terms of the Economic Development Incentive Agreement, which Sharpline Converting, Inc., has executed with the City.

7. The City Council may, at its discretion, require Sharpline Converting, Inc., to return all funds exempted if there is a failure to meet the terms and conditions of the Economic Development Incentive Agreement, which Sharpline Converting, Inc., has executed with the City.

8. Upon finding that Sharpline Converting, Inc., has failed to meet its obligations under the Economic Development Incentive Agreement, the City Council may require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on Sharpline Converting, Inc.'s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

9. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 12th day of April, 2005.

Carlos Mayans, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, City Attorney

Sharpline Converting, Inc.
Exhibit I

New Construction:

30,000 s.f. Building Addition
to existing facility

\$785,469

Total New Construction

\$785,469

Equipment Purchases:

Two ISS – 1000 vision sensors	\$8,390.00
Vinyl cutter	11,959.75
Taping machine	700.00
Data logger	550.00
Copier	1,600.00
Computer – digital printing	4,392.00
Scale	501.84
Mailing machine	4,892.50
100 ton ultrapress	92,500.00
48” signmaker II	8,950.00
Slitter	97,600.00
Die cutter	306,000.00
Adhesive testing machine	588.16
Hydraulic metal shear	5,995.00
Tool cabinet	1,079.98
Newworking equipment	3,027.41
Stretch wrap machine	6,950.00
Two pallet trucks	694.50
Two computer workstations	558.57
Router – whse	1,754.10
Compressor	16,191.91
Core cutter	75,000.00
Scale	4,385.00
Rack	650.00
Electronic paper tape dispensor	2,044.72
Forklift	20,650.00
Racks	4,700.00
Racks	1,036.43
Bar coding equipment	91,233.55
Screening blanket	2,254.45
Shop racks	1,132.37

Laser printer – production	2,267.88
Strapping machine	1,625.00
Portable steps with handrails	1,434.16
Lateral file	419.83
Production printer	6,059.44
Tension meter	450.00
Urethane meter mixer	71,480.00
Snorkel Model	9,820.00
Rotary Laminator 12”	3,288.46
Rotary Laminator 12”	3,288.46
Willet 460 SI Ink Jet Printer	5,298.33
Manual Rewinder 9”	3,200.00
Manual Rewinder 9”	2,375.00
Rotary Die Cutter 12”	2,630.77
Paper Cutter Sybold Saber 64”	5,480.77
Rotary Laminator 12”	3,288.46
Rotary Die Cutter DCL2301, 9”	2,466.34
Shrink Film Sealer Weldotron	1,826.92
Econocorp Pkgr 3567-3669-3728	3,288.46
Rotary Die Cutter 9”	1,973.08
Rotary Die Cutter	1,973.08
Rotary Laminator 9”	2,466.34
Rotary Laminator 9”	2,466.34
Jet Printer Willet	5,846.15
Rotary Die Cutter 14”	3,069.23
Core Cutter Ppleton	2,923.08
Manual Rewinder 54”	2,923.08
Anti-Theft Applicator	7,196.93
Albus Packaging Machine	54,523.20
Rewinder SPI HW 36”	2,557.69
Automatic Packager	3,653.85
30” Manual Rewinder	2,923.08
Elsner Automatic Rewinder	12,788.46
Turret Rewinder	2,630.77
Void Elimination for Retail	18,933.47
Replacement of Turret Rewinder	<u>110,720.20</u>

Total Equipment	\$1,147,518.55
------------------------	-----------------------

Total Expansion Project	\$1,932,987.55
--------------------------------	-----------------------